

May 1, 1979

LB 390

SENATOR DeCAMP: Ahhh, the last I heard it was about 11 3/4.

SENATOR SIMON: Well that does make 12 percent look kind of stupid I guess if the prime interest is 11 3/4. I would respectfully request to withdraw the amendment.

SPEAKER MARVEL: Do you want to withdraw the amendment? Okay. We're on the Johnson amendment. Senator Fowler, do you wish to speak to the Johnson amendment?

SENATOR FOWLER: I rise to oppose the Johnson amendment, or Senator Johnson's attempt to strike Senator Burrow's amendment. Senator Johnson says that we should periodically review the interest rates, but he is moving to strike the one mechanism that could insure that review by this Legislature, and he is using an argument somehow that if there is any uncertainty about what the interest rate would be that will damage the home mortgage market, and it would seem to me that if that argument can be used against the sunset provision that argument can be used against this Legislature ever attempting to bring this interest rate back. Now if we're going to make a permanent raise of the usury rate to 12 1/2 percent, I would wish that Senator Johnson would be honest about that, that he would say simply that with his amendment we were conceding the fact that we'll ever lower the interest rate again. If he really is sincere about his interest in having a periodic review, then he would leave the sunset provision in. The whole concept behind sunset provisions such as those with regards to state boards and commissions is to insure that this Legislature take another look at it to make sure that the interest groups that right now are out in that lobby would have to come back and present their case again. Striking Senator Burrow's amendment for a sunset provision removes any opportunity or any incentive for the case ever to come back to the Legislature, guarantees 12 1/2 percent to be the permanent usury rate, and I think that that really is the goal of striking the sunset provision. So I think Senator Johnson is being contradictory in his urging a periodic review but striking the one mechanism to guarantee that. I would oppose his amendment.

SPEAKER MARVEL: Senator Newell, do you wish to speak to the Johnson amendment? I've got one, two, three, four, five, six, seven, eight, nine people that want to talk.

SENATOR NEWELL: The point is well taken. Instead of speaking I would call the question. I'm going to agree with